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Voluntary _ Public

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Mexico

Post: Mexico

Coffee in 40 Gram Containers Allowed Duty Free

Report Categories:

Coffee

FAIRS Country Report

Promotion Opportunities

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Report Highlights:

On March 14, 2010, the Secretariat of Economy (SE) [announced](#) it would allow the duty-free import of roasted and ground coffee classified under Harmonized Tariff System codes (HTS) 0901.21.01, 0901.22.01 and 0901.90.99, packaged in 40-gram containers. These products may be imported duty-free from January 1, 2011, to December 31, 2011.

General Information:

Executive Summary: SE announced a tariff rate quota (TRQ) for roasted and ground coffee in Mexico's Diario Oficial (Federal Register). This announcement is designed to encourage the domestic coffee industry to diversify coffee products available in the market and create access to new market niches. Another purpose of this TRQ is to promote the packaging of coffee in 40-gram containers and the consumption of this type of product in Mexican households. This TRQ is effective until December 31, 2011.

General Information:

Introduction: This report summarizes an official announcement published in Mexico's Federal Register on March 14, 2011.

Disclaimer: This summary is based on a cursory review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

The Government of Mexico (GOM) establishes that the purpose of these *cupos* (*duty-free import permits*), using a direct allocation mechanism, is to encourage the domestic coffee industry to diversify its coffee products available in the market, allow this sector to access new market niches, and to promote the consumption of coffee in Mexican households. This announcement establishes the necessary requirements for the duty-free import of roasted and ground coffee in 40-gram containers.

A summary of relevant sections of the announcement follows:

Article 1 establishes the annual TRQ for the duty-free import of roasted and ground coffee in 40-gram containers for January 1 to December 31, 2011.

HTS	Description	TRQ
0901.21.01	Non-decaffeinated. Only for roasted and grounded coffee in individual 40 grams containers	1/
0901.22.01	Decaffeinated. Only for roasted and grounded coffee in individual 40 grams containers	1/
0901.90.99	Other. Only for roasted and grounded coffee in individual 40 grams containers	1/

1/ the amount will be determined as indicated in Article 4.

Article 3 of the announcement establishes the procedures that interested parties must follow in order to request a TRQ allocation for each specific tariff line item. In order to be eligible, the interested parties must meet at least one of the following requirements:

- I. Have a report issued by an external auditor that certifies the amount of soluble, roasted or ground or packaged coffee produced in 40-gram containers.
- II. Have a report issued by an external auditor that certifies the investment made to expand

- capacity to produce roasted or ground or packaged coffee in 40-gram containers.
- III. Have a report issued by an external auditor that certifies the export of green coffee used in the overseas production of roasted or ground coffee in 40-gram containers.

In addition, interested parties must comply with the import requirements indicated in the specific *Hoja de requisitos* (import certificate).

Article 4 permits SE to allocate the import quota through a direct allocation mechanism in accordance with the following criteria:

- I. An annual amount equivalent to 3 percent of its domestic production from the previous year to those companies in compliance with Article 3, Part I.
- II. A onetime allocation equivalent to 30 percent increment produced in comparison to the previous year for companies in compliance with Article 3, Part II.
- III. An annual amount equivalent to 80 percent of its exports from the previous year to those companies in compliance with Article 3, Part III.

The applications requesting an allocation of the duty-free import permits must be submitted using form SE-03-011-1 at the General Directorate of Foreign Trade of SE.

Once the quantity to be imported is allocated under the TRQ, SE will issue the duty-free import permits to the authorized companies in compliance with Article 4.

This TRQ is in effect until December 31, 2011. The announcement issued by SE is in effect until December 31, 2014. FAS/Mexico anticipates that SE will re-evaluate the TRQ allocations and mechanisms through the validity of the announcement.

For More Information

FAS/Mexico Web Site: We are available at www.mexico-usda.com or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

FAS/Mexico YouTube Channel: Catch the latest videos of FAS Mexico at work
<http://www.youtube.com/user/ATOMexicoCity>

Other Relevant Reports Submitted by FAS/Mexico:

Report Number	Subject	Date Submitted
MX0033	Mexico Corners the Market on Organic Coffee Production	5/7/2010
MX0322	Organic Foods Find Growing Niche in Mexico	2/11/2011

Useful Mexican Web Sites: Mexico's equivalent of the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx, the equivalent of the U.S. Department of Commerce (SE) can be found at www.economia.gob.mx, and the equivalent of the U.S. Food and Drug Administration (SALUD) can be found at www.salud.gob.mx. These web sites are mentioned for the reader's convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with, the information contained on the mentioned sites.

